

Note for Galeotti, Kay

From: Kristin HORLACHER
Date: Mon, Nov 3, 1997 5:19 PM
Subject: Phoenix - 5GO
To: Galeotti, Kay; Capreol, Gary
Cc: Maggio, Jim; Michele BOLGER; Jack SULLIVAN; Leslie BLEDSOE; Rolfes, Michael (LBC)

Kay/Gary:

As you know, we are issuing buy memos tomorrow for OOP markets where we are not running into scheduling issues among the brands. One of those markets is Phoenix. We have talked to the Phoenix OMS and he has asked if we are flexible with our mix. Currently, Phoenix is a Tier II market with a planned showing of #75 (#25 Bulletins/#50 30-sheets) for 9 months (Jan.-Sept.).

The OMS has recommended purchasing a #75 showing with a mix which has a greater emphasis on bulletins. He believes that there are available bulletin units of better quality than the available 30-sheets in Phoenix. If we increase the bulletin units, we would buy a #50 showing of bulletins and a #25 showing of 30-sheets. According to the OMS, it would be approximately an incremental +\$110.0M to make this switch.

Please let us know if you agree with the OMS recommendation of a greater bulletin presence in Phoenix. From a competitive standpoint, it may give us the edge over GPC should they continue at their reported August levels. Additionally, keep in mind that we have approximately \$140M that will be unspent in Raleigh/Durham due to Fairway caps.

The OMS is traveling to Phoenix tonight and would love to let the vendor know our decision. Please let me know if you have any questions.

Thanks,
Kristin